

ABSTRACT

An automated system (100) and method for evaluating the probable impact of user-specified or system generated changes in business value drivers on the components of value, revenue, expense and capital change, of a commercial enterprise. Value drivers are identified using predictive models that define the value drivers associated with each element of the enterprise. After the causal value drivers are identified using causal models, the system completes a detailed valuation of the firm using predictive models to determine the relative impact of each causal value driver on the overall valuation. The detailed valuation results are then used to define a probabilistic financial simulation model such as a Markov Chain Monte Carlo model. The financial simulation model then analyzes the impact of user specified changes in value drivers on the components of value performance and optionally generates a list of recommended changes to value drivers that achieve a user specified financial goal.

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